Previous references.

B. Jul 06. 881-3 B 10-06 (Slip)
B June 03. 881-3 B 3901-2

1905-6
(Banking)

File No. 55-05

Serial Nos. 1-4

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-4

Part B. for September 1906.

SUBJECT.

Sanctioning the proposal to entrust the Supervision of Agricultural Banks to the Registrar of Cooperative Societies.

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1. From the Rev. Comr. No. 960 dt. 20.4.06.
forwards a letter, from the Registrar of Cooperative Societies in Mysore, suggesting the desirability of supervision the agricultural Banks in the State on the basis of the Cooperative Regulation No. III of 1905 & of placing the existing agrl Banks under the Registrar.

2 To the Rev. Comr,
" D. C's of districts,
" comptroller,
" Registrar of joint Stock companies.
G. R. S. 58 No. H. 2022-328. 10.9.06.
Appoints the Registrar of Cooperative Societies to be of agricultural Banks as well, doing duties in addition to the Rev. Comr and directs the

consolidated report on the working the Banks for 1905-6 and succeeding years, should be submitted to Govt with the remarks of the Revenue Comr on or before the 1st October of each year.

3. To the Compiler, Mysore Gazette
No. H. 2033 dt. 10.9.06.

Notifies the appointment of Mr. M. Shama Rao, ~~as~~ registrar of Cooperative Societies, as Inspector of Agricultural Banks as well.

4. To the A.A. Resident.
No. Pol. 213 dt. 11.9.06.

Intimates with reference to this office Pol. no. 90 dt. 31.7.06. that the Registrar of Cooperative Societies is appointed Inspector of Agricultural Banks and that the Supervision of the estates mortgaged to the late coffee banks at Sakleshpur & Chickmagalur will however continue in the hands of Mr. Pilkington, the Special Inspector appointed for the purpose.

G. R. S. 11] 1905-6

GENERAL AND REVENUE SECRETARIAT.

(Banking)

NOTES.

File No. 55-05-7

FILE HEADING.

Improvement of the Agricultural Banks in the State on the basis of Cooperative Regulation, III of 1905.

From

The Rev: Govt

No. 9604 Dated 20.4.06 Received 24.4.06.

Diary No. 4469 | Enclos. 1 | Spare Copies. .. | Serial No. 1

BRIEF ABSTRACT OF LETTER.

Forwards a letter, from the Registrar of the Cooperative Societies in Mysore, suggesting the desirability of improving the Agrl: Banks in the State on the basis of the Cooperative Regulation, No: III of 1905, & of placing the existing Agrl: Banks under the Registrar.

NOTES AND ORDERS.

The Establishment of the Agricultural Banks was an unsuccessful thing even in British India and in Mysore His Highness Govt: had to make the best of the bad bargain by the dissolution of such of them as failed to maintain their stability or vitality. Of the 66 Banks that had originally been

NOTES—First sheet.

MGCPB -30,000-17 2-05.

Serial No.

Started in Mysore, no less than 29 have already been wound up & as many as 13 are of doubtful stability. The two Apex Banks to which Govt. had subscribed over 8 lakhs of Rupees have also collapsed. The balances of loans due to Govt. from these dissolved Banks have, mostly, to be levied by coercive measures.

2) The Registrar of the Cooperative Societies states that, wherever he goes, he is being confronted with the question of the failure of these Agricultural banks. Most of these institutions have, ~~he thinks, but~~ in his opinion a nominal existence at present & are therefore a great impediment to the development of the Cooperative Societies. He states that in order the latter may succeed, the existing Agricultural Banks should be remodelled under the new Regulation so far as it may be possible or wound up. If in these circumstances the Govt. are pleased to place these old institutions under the Registrar, he states, he would investigate in consultation with the Dy. Comrs. how far each of the Banks can be brought under the new Scheme & report his views for the orders of Govt.

Refer under disposal.

The Dewan-Patron, called for an exhaustive note on the history of the Agl. Banks, in 1901, more than three years. But it does not seem to have been ... [illegible]

3) In bestow on the Registrar's suggestions that consideration which its importance seems to deserve it may not be out of place to give a comprehensive account of the different stages which these institutions have generally undergone within the last 12 years of their existence. The subject may therefore be dealt with chronologically under 6 sections: —.

Note—Contd. sheet [illegible]

Serial No.

Section i may deal with the object & reason for the establishment of these institutions in 1894.

Section ii, may summarise the essential principles underlying their Constitution

Section iii, the progress & development of these Banks in early years 1894 to 1900.

Section iv, the actual advantages which were reaped by the Agricultural Banks (& by the Coffee Banks).

Section v, the changed character of these institutions & the causes for their decline.

Section vi, the successive steps taken by Govt. in subsequent years 1901 to 1906, together with the present condition of the existing Banks.

Section i.

4) object and reason for the establishment of these Banks.

Cut-up.

In his Address to the members of the Dasara Representative Assembly held in 1894, the late Sir Seshadri Iyer observed that there was, on the one hand, a large accumulation of Capital in the Country which was either uninvested or invested at very low rates of interest in the Presidency or other Banks while, on the other hand, the ordinary agricultural population was suffering from inability to raise funds when required except at ruinous rates of interest.

GPB—50,000—23 10-05

Serial No.

In order to bridge over the wide gulf that separated ~~the~~ Capital & want, these institutions were devised, on the model of similar institutions in other countries on strictly Cooperative principles, with the object of obtaining money when required upon the united credit of the members. It was hoped that such institutions when once started with the aid of govt would eventually become self supporting & Command ample credit in the open market. It was thought that the Scheme would be the means of Establishing a system of agricultural banks throughout the Country and would be a great education to the people in thrift and Cooperation. Thus the object was to Stimulate the growth of agricultural Credit & thereby to better the economic condition of the ordinary agriculturist.

Section ii)

5. The essential principles underlying these banks

1) Absolutely rural in their character & purely for the benefit of the Agriculturist

Para 4 of the articles of Association ...

Put up R

2) There was no share Capital from the members, and all that they had to contribute was their united credit.

Paras 37 & 39 ...

3) Funds to be raised by loans or by private deposits at favourable rates of interest.

Para 37.

Para 74.

4) Banks primarily to start with ~~govt~~ a deposit of govt money.

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

5) The amount of individual loans limited, & the loans to be made to the members for

Paras 41, 44 & 46. approved agricultural or bonafide domestic purposes. To be repaid with the strictest punctuality in equal annual instalments.

Para 57. 6) The Banks to be managed by the members gratuitously.

Paras 56 & 74. 7) The Govt: deposit to be returned in course of time.

Section iii). 6) The progress & development of these institutions in early years (1895 to 1900).

The co-operative principles embodying the scheme & the lines on which it had to be worked were given due publicity in october 1894. Within a few weeks thereafter, two Banks came into existence, one at Palahalli & another at Kyathanahalli, in the Seringapatam Taluk. In November 1894 increased facilities for the transaction of the affairs of these institutions were afforded by way of reducing the Stamp duty & the Registration fees payable on documents executed by, or in favour of, these Banks. The promptness manifested by the aforesaid two Banks in availing themselves of the advantages of these institutions was, at the time, full of promise for the future.

1894.

Note.. Standing Orders arranged in ... Vol. ... for reference.

1895. 7. In 1895, 6 other Banks came to be formed. In his address to the members of the Dasara Representative

GPB—50,000—23 10-05

Serial No.

Assembly held in october 1895, Sir K. Seshadri Iyer observed that it might be hoped that these beneficent institutions would, day by day, gain public confidence & that before long ~~they~~ financed solely by the people's money without any help from govt.

1896. 8) In 1896, 6 other banks came into existence. In his annual speech for the year, the late Diwan observed that 14 banks had already been opened & as many others were in the course of formation, evidencing thereby the increasing appreciation of the benefits of the Banks. In Decr 1896, an officer under the designation of the Inspector of the Agricultural Banks was appointed to examine into the stability & improvement of those that had already been established and to report upon new banks proposed to be established.

1896-7. 9). In 1896-7, the two Coffee Banks came forward with the object of discharging the subsisting liabilities of certain indebted Coffee-Planters & of raising requisite funds for current expenses & future improvements. A loan of 7 lakhs of Rupees was subsidised by govt. with the strictest understanding that the institutions should, within a reasonable time, pay off the amount & place themselves in a position so as to depend upon their own resources. By the end of 1896-7, govt. had advanced 2¾ lakhs to the Agricultural banks & 7 lakhs to the two Coffee Banks.

1897. 10) The first appreciable result of the appointment of

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

the Inspector of the Agricultural Banks in Decr 1896 was that in the succeeding year there were numerous applications for the formation of new Banks, of which as many as 32 were Sanctioned with a general satisfaction that Her Highness' Subjects had begun to appreciate their advantages fully. The report of the Inspector on the working of the Agricultural Bank at Bhimavelkere submitted to Govt. in march 1897 was most hopeful of the realizations of the object which Govt. had in view; and, therefore, in April 1897, in view of spreading these Agricultural Banks in increasing numbers over the State, the Govt of Sir K. Seshadri Iyer promulgated a circular that the local authorities should continue to receive and submit promptly the applications for the formation of new Banks as also those for additional help (to the Banks that had already been started.)

Vide Circular.

1897-8.

") In June 1897, the unbusiness-like & unprincipled manner of the working of the Agricultural Bank at Bhyamagundlu was brought to the notice of Govt., but Sir Seshadri Iyer's hopes of these Banks were again expressed in the D.R. of 1897. In respect of the small deposits of money which three of these Banks received for their purposes, he observed that he took it as a hopeful sign of the first beginnings of united credit & expressed "when public confidence is more widely established in the thorough Solvency these Banks, there is no reason why they should not

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

attract the whole of the Capital (over 30 lakhs) which finds investment in the Govt: Savings Banks at a very small rate of interest". (3 1/8%).

12) At the end of 1897-8, there were no less than 62 Banks with an advance of Rs: 12,00,500. of these 40 were inspected by the Inspector & every succeeding report of his showed that the Banks had begun to secure the confidence of the public & that small deposits were being received in twenty of them, & that 22 of them were able to lay aside something to form a Reserve Fund. In his annual Speech for 1898, the late Dewan observed that the people at large should take advantage of the few banks (64 by this time) started with the aid of Govt: loans & endeavour to start similar institutions independent of Govt: aid. At the end of 1898, the idea of Govt: was to invest from 20 to 30 lakhs on these institutions

1898.

Q.

13). But, soon after, the policy of Govt: in this matter became unsettled by reason of the altered Condition of the State finance. The result was that, after October 1898 no applications for the formation of new Banks or for additional help to the existing Agricultural Banks were entertained. With this changed attitude of Govt: & with the outbreak of plague & its attendant consequences, "the earnestness and enthusiasm which characterised the early organisation of such institutions had ceased". But, after the Subsidence of the first outbreak of plague, an enquiry was started to ascertain whether the

1898 to 1900.

Collection Q.

GPB—50,000—23 10-05

Serial No.

Dessen's Address for 1899.

whether the conditions & circumstances under which fresh applications had been made (before the outbreak of plague as many as 84 applications were pending disposal) early in 1898, remained unaltered. Then it was reported that the progress of these institutions had been retarded during the year by Plague & its attendant general depression in trade, and that "the popular belief that Vikari was to be a year of great calamities made the people unwilling to unite for their mutual benefit" and that several applications for Govt. aid to form new Banks were either withdrawn or not prosecuted. This changed attitude of the people ~~seems to have~~ pointed out to Govt. the necessity of revising the system on sounder principles. Hence, when a representation was made in the Representative Assembly held in 1899 for the opening of a new Bank at Sorab, Govt. announced that no more Banks would be opened & that "the System was under revision" At the close of the year 1899 there were 62 Banks (inclusive of the two coffee Banks) with an aggregate Capital of Rs. 15 lakhs Subsidized by Govt. 28 of these Banks had, by this time, received deposits to the extent of 11 thousand & the total of the Reserve Fund formed by all the Banks had reached but Rs: twenty one thousand. These figures will indicate the extent to which the object of Govt. had been realized during the 5 years of the establishment of these institutions.

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

Section IV.

14). The advantages which these institutions had actually reaped: ——.

In the 62 Banks that had been formed in the State, 9 had advanced over 7½ lakhs of Rs, about 2/3 of which are reported to have been utilized towards the liquidation of the existing debts of the members & the remaining 1/3 was utilized towards agricultural operations. The Inspector's report for 1897 showed that the establishment of these rural institutions benefited the agricultural population in the way of enabling them (1) to discharge previous debts at usurious rates of interest, (2) to undertake the cultivation of more remunerative crops, & (3) to dispose of the product of their labour to best advantage in the open market. In another report, it was alleged that the establishment of

Section 4.

— " —

these Banks indirectly led to the reduction of the rates of interest obtaining with the money-lenders. In his demi-official report submitted to Govt. in February 1901, that Officer stated that

— " —

about 1500 men had received full relief from indebtedness & 500 more partial relief. "The low rates of interest & easy instalments were highly appreciated by raiyats; the creditors hold on crop gone; the ryots were happy; they could buy cattle & improve their holdings." The money value of the Savings effected by the agri-cultural class, consequent on the establishment of these Banks,

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

was estimated at three-quarters of a lakh per annum. (6 Coffee Banks Sanctioned). At the time of opening these Coffee-Banks, a sum of 7 lakhs was granted, of which a slightly less than 6 lakhs of Rupees were utilized towards the liquidation of the subsisting debts. The balance was utilized for current Agricultural purposes. During subsequent years, no less than a lakh & a half was advanced for working expenses. But when every succeeding report that came before Govt. showed that the cases of these two Banks was one of hopeless insolvency, Govt: felt it undesirable to bolge the loan already made & therefore sinfended the practice of advancing money for working expenses ~~Suspended~~ in August 1900, but the members were permitted to raise private loans for the purpose on the security of their standing crops.

vide Collection R- 1900.

Section V.

15) The changed character of these institutions & the causes for their decline.

It has been said that the prevalence of Plague & bad seasons during 1898, 1899 & 1900 changed to some extent the character of these institutions. The earnestness & enthusiasm which had characterized the early organization of these institutions had by that time ceased. During this period their progress was retarded. Subsequently their transactions became dull; private deposits were few & far between; they failed to effect Savings to the extent expected; the Banks authorities generally showed

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

that they were either unable or unwilling to extend their usefulness by securing large Co-operative credit; they failed to give vitality to the institutions by enforcing strict punctuality in repayments from the members, the hopes of govt. that these institutions would pay off the advances in 8 or 10 years were not realized. It was recently observed (by Sir P. N. Krishna Murthi) in his first speech to the members of Representative Assembly held in 1901 that the cause of failure of these Banks lay in certain underlying principles of their Constitution He said that the difference between the rates of interest prescribed for the Banks & the current market rate was so great that borrowing was, in a measure, stimulated beyond the actual bounds of necessity; the too easy terms of repayment was a defect; the members were not all of the class to cultivation for whose benefits the Banks were intended. In his notes on tours of inspection, the Dewan Saheb is reported to have observed: — "disinterestedness, singleness of purpose, & patriotic devotion to the cause were rare, and their opposite much in evidence". He is said to have remarked that "the national character of our people had to undergo a change before institutions of the kind took root & worked successfully and the latter course would be to extend the system of individual takavi grants". The late Dewan Sir P. N. Krishna Murthi once declared that the entire

vide Inspection's D.O. reply of the 12th Feb 06. Reply to query 2. Collection Q.

Sheets for pp 3

Note—Contn. sheet

G.R.S. 12]
General and Revenue Secretariat.

File No. 55 of 1905

Serial No.

financing of the Scheme by direct grants from Govt: tended to weaken the motive for Self-help & Co-operation and that Govt: should have promised to grant as a loan a certain proportion of the amount raised by the Banks from private Capital; it was also said that it was a mistake on the part of Govt: not to have fixed at the outset the terms for the repayment of the advances made by Govt; it was further said that one of the causes for the failure of these Banks was the absence of ready means to recover from the members the moneys due to the Banks; One authority asserted that had the Govt: guaranteed repayments of money deposited by the private individuals, the Banks would have attracted private deposits & advances of money for agricultural loans, while another stated that the low rate of interest allowed on private deposits was a draw-back for not attracting private Capital.

vide Mr Thumboo Chetty's notes of the 28/2/1901. Collection Q.

16. The failure of the Coffee Banks was mainly attributed to depression in trade & the consequent fall in prices. A large no. of the estates mortgaged to these Banks, even under the direct supervision of Govt:, failed to yield the amount expended on them for their working expenses.

Section VI. 1901 to 1905.

17.) Successive steps taken by Govt: Subsequent to 1900, in view of remedying the existing state of circumstances in respect of these institutions.

NOTE—Contn. sheet

GPB—50,000—23 10-05

G.R.S. 12]
General and Revenue Secretariat.

File No. 55 of 1905

Serial No.

G.O. No. 1025-60
R 3761
dtd 27.6.1901.
Collector R

In their Pro: of June 1901, Govt. Expressed for the first time their apprehension that most of these Banks were unmindful of their duty to place themselves, within a reasonable time, in a position to depend upon their own resources & to pay off the advance made by Govt. They further Expressed that the Expectations of Govt. had not been realized in the case of most Banks & the repayments made were almost nominal. This led to the discovery of a Scheme by which the repayments to Govt. could be regulated. And in view of watching more effectively the development of these Banks, arrangements were made for the periodical inspection of these institutions by the Dy. Comrs & their Asstts. But in the majority of cases, their reports of inspections showed that the recovery of the instalments was not Satisfactory. They Commenced a series of Circulars which the Govt. took to recover the instalments. Those that defaulted were first warned & then the warning was unheeded they were wound up. The latter Step was always taken with great reluctance. In his address for 1901, the late Dewan observed that Govt. felt that they could not realize the outstanding debt in a lump sum by summarily selling the property

First thought of in 1901 but finally Orders issued in R 2067/68 dtd 10.11.1902. Collectors R
R. 2558-66 dtd 10.12.1901.

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

without creating hardship to a number of innocent people. In Proc. of April 1902, it was impressed that the withdrawal of Govt. support in so important a concern as this was undesirable, unless found by experience to be unavoidable. Even in July 1902, the sympathies of Govt. in favour of helping further the institutions which conducted their affairs satisfactorily were great, and in his Address for 1902, the late Dewan observed that the action of Govt. in insisting on the punctual repayments of Govt. loans according to the scheme of 1901 had the effect of reducing the working capital of these institutions & so restricted their operations. In August 1903, a ready means for the recovery of the loans made to these banks was created by the passing of Regln. No. II of 1903 & under it, all loans made to them, became recoverable from the members of each bank jointly & severally as an arrear of land revenue [In June of the same year, the office of the Inspector of these Banks was abolished, because most of the functions which had been originally assigned to him were subsequently assigned to the Revenue & their Courts as also to another Officer specially appointed for the Co-operative Banks] It is unfortunate to say that 29 of

R 580-2 of the 28/7/02. K

(vide P.O. of the 2.8.1900 & P.O. of the 10.12.1901).

H 2264-68 of the 19.6.1903. P.

GPB—50,000—23-10-05

Serial No.

of the Banks were brought under the operation of the aforesaid Regulation but in no case have final reports been received reporting the results of such coercive measures. In the case of 6 of these fallen banks, Govt. were pleased to allow the members certain easy terms of repayment by a few annual instalments & have substituted individual liability of the members in lieu of their joint liability.

Kallala, Irudavatti, Sakkottai & Ardikotta.

18) Coffee Banks. It has been stated in para 17 of these notes that Govt. suspended the system of granting advances for the working expenses in deputypoos allowed the members to raise therefr private loans on the security of the standing crops. But this arrangement did not produce satisfactory results, because the private loans were not, in the existing state of circumstances, capable of being raised by the members to the extent required. Thus the estates deteriorated further & the security on which the loans had been made suffered considerably. Hence, the Govt. again went back to the system of advancing such sums of money as were necessary for their upkeep. In order to supervise the working of the estates, a special officer was appointed

Nov 1902.

GPB—50,000—23-10-05

G.R.S. 12]
General and Revenue
Secretariat.

File No. 55 of 1905.

Serial No.

and an annual grant of Rs: 60,000 for Calicut was Sanctioned. But Rs: 50000 for Sattleyur was Sanctioned. But every attempt to sustain these Banks resulted in swelling the amount of loan made to them. In the year which ended with June 1904, Govt: advanced to these Banks Rs: 33,540 & 23,284 respectively. But the receipts, after deducting the assessment, amounted to only 26,812 & 9009 Rs: These figures showed that, for the present, at least, there was no margin whatever to pay off the old debts in part of the current working Expenses in full. Thus the Banks showed no signs of inherent vitality & the only alternative that suggested to Govt: was to do away with the make-believe media between the Govt: & the members & deal with the latter direct." These Banks therefore were dissolved in January 1905 & according to the wishes of some of the solvent members who asked for release from the dis-advantageous condition of joint liability, individual liability was substituted & the members were permitted to pay off their individual debts in a few annual instalments. Some of the estates of the heavily indebted members are under the management of Govt: & all the estates are supervised by an Expert appointed by Govt: The Govt: will however advance for

Extract taken from Davar's note to the Hon'ble Members of the 21/12/04.

H: 6218-210/Stn
6. 1. 1905.
+ H: 1457-98/Stn 1.9.05.

vide para 5(5) of the order of Govt: dated 6.1.1905.

Serial No.

working Expenses, in Exceptional cases, on the security of the Standing Crops, under such Safeguards as the Govt may devise.

17.) The previous paragraphs give a Succinct account of the Agricultural Banks from the date of their inception in 1894 till the present moment. It will be seen from the above that in 1903, the Govt had well nigh understood that these Banks had failed but they wanted to place the Existing banks on a "tolerably Satisfactory basis" But on what basis these were intended to be placed, it is not ascertainable from the record available in the Office.

Dewans Speech for 1903.

18) The idea of establishing Co-operative Societies, on the model of Similar institutions in British India, was expressed for the first time before the meeting of the Representatives in October 1904 & in September 1905 the Sanction of His Highness was obtained for the establishment of these institutions in the State. The essential principles underlying the System & the lines on which these institutions shall be worked are contained in this Office Legislative Files 189 of 1904 & 4 of 1905.

S.

Collections put up.

Submitted for orders.

K.S. 12/5/06.

The proposal of the Registrar is indefinite. He does not explain

Note—Contn. sheet

GPB—50,000—23-10-05

Serial No.

how the Agricultural Banks can be brought under the new scheme. May he be asked to report in detail how he proposes to remodel the Banks under the new Regulation?

Subd. to Secy for orders,
Mudy 7.5.06

Let us submit this to the Diwan Saheb for orders. I do not know if the proposal to place the Agricultural Banks under the supervision of the Registrar of Co-operative Societies will not be courting of bad results. At any rate it will give him work, while the banks will be more closely looked after.

731
19.5.06

18.5.1906

I am doubtful of the efficiency or necessity in the first place of a Registrar of Co-operative Societies. Having kept our fingers over the Agricultural banks we may have wanted to see the

GPB—50,000—23-10-05

General and Revenue Secretariat.

File No. 55 of 1905/06

Serial No.

working of the Cooperative Societies Scheme in British India before we created the Costly appointment of Registrar of Cooperative Societies for Mysore - I have not the file connected with this appt before me & have called for it. Meanwhile this no appears to me the a matter eminently fitted for Consideration by the Committee of the Councillors now sitting on the retrenchment scheme.

I shall be obliged by your as to what progress the Councillors have made with the retrenchment questions

3/3
4-6-06
Mysore

To Hon'ble Councillors
2.6.1906

2/6/1906

Secretary to Govt.

NOTE—Contn. sheet.

MGCP B—10,000—19-4-04

(21)

G. R. S. 11] 1906.07

GENERAL AND REVENUE SECRETARIAT.

(Banking)

NOTES.

File No.

File Heading.

Proposal to entrust the Supervision of Agricultural Banks to the Registrar of Co-operative Societies in Mysore

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

Brief Abstract of Letter.

NOTES AND ORDERS.

On the Enquiry made by the First Assistant to the Honorable the Resident in his letter No. 4020 of the 14th July 1906 whether the Annual Reports on the working of the Agricultural Banks in the State for 1902-03, 1903-04 and 1904-05 were sent to his office, the Secretary in his note

Notes—First sheet

MGOPB—30,000—17 2-05.

Serial No.

in Banking file 10 of 1906-07 has made the following proposal and ordered the resubmission of the said file after the issue of the draft approved by H.H. the Maharaja for action being taken in the matter.

Those for the years 1902-03 & 1903-04. [illegible]

"The notes in file 34 of 04-05 will show that the Reports on Agricultural Banks have ceased to be issued since the abolition of the appointment of Inspector of Agricultural Banks, as the separate District Reports are being received too late to be usefully compiled."

"The Reports for 1904-05 have not yet been received. It seems very desirable, both for the Efficient Supervision of the banks, and facilitating the preparation of the provincial reports, to entrust the Co-operative Societies' Registrar with the Supervision of the Agricultural Banks also".

Subd. to Secy
PK
2-8-06.

mm 6-8-06

Mr

Please see also the Dewan's note [illegible] dt 25-7-06 in file no 1070/05. Also the office note in file no 557/1905-06, which shows that the Registrar of Co-operative Societies has himself suggested the desirability

NOTE—Contn. sheet

GPB—50,000—23-10-05

Serial No.

of the existing Agricultural Banks being placed under him.
An early decision in the matter is desirable, both on grounds of administrative convenience, & in the interests of the Agl Banks themselves.

Council matter - Circulated to Councillors

B.O. 8.8.06

Seen & passed on to 2d Comm[illegible]

2 The 18 pages of office note in file No 55 of 1903-06 are very voluminous & unconvincing. I would suggest that these be somewhat shortened & condensed & printed as a pamphlet for easy reference.

[illegible]

Seen.

1987
28/8/06

24/8/06

GPB—50,000—23-10-05

G.R.S. 15

Facing sheet for Cases included in the schedule appended to Notification No. 36 of the 8th. Aug. 1902.

23 A

GENERAL AND REVENUE SECRETARIAT.

Subject— Proposal to entrust the supervision of Agricultural Banks to the Registrar of Co-operative Societies in Mysore

	Date	Initial of Officer himself or responsible Deputy.
Received in the Secretariat		
Submitted to Secretary	6-8-06	
Submitted by Secretary to Dewan or Councillor in charge	8-8-06	
Returned to Secretary		
Circulated by Secretary for Council ...		
Forwarded by 1st Councillor	12/8/06	12/8/06
Forwarded by Councillor		
Received in Secretariat		
Considered in Council		
Submitted to the Dewan		
Submitted to His Highness		
Orders passed by His Highness	31.8.06	
Final Orders issued	10.9.06	
Circulated to 1st Councillors	12.10.06	
Passed on by the 1st Councillor	19.10.06	
Circulated to 2nd Councillor	20.10.06	
Returned to Secretary by 2nd Councillor...	20.10.06	

MGCPB—1200—16-2-06

C 1112

GENERAL AND REVENUE SECRETARIAT.

24

Matter for Council Meeting to be held on

at

Subject.

Proposal to entrust the supervision of Agricultural Banks to the Registrar of Co-operative Societies in Mysore.

Circulated to Councillors.

By Order,

Secretary.

8th August 1906.

C227
9-8-06 T. Ananda Row, Esq,. B.A.
First Councillor.

Seen by the Councillor.

K.P. Puttanna Chetty, Esq,.
Second Councillor.

9.8.06

G. R. S. 17

Extract from the Proceedings of the 148th Meeting of the Council of His Highness the Maharaja, held at Bangalore on the 24th August 1906.

---

x x x x

II. Subject.- (Clause viii of the Schedule.)

Proposal to entrust the supervision of Agricultural Banks to the Registrar of Co-operative Societies.

Opinion of the Dewan and Councillors.

The proposal may be approved, and the Registrar of Co-operative Societies made Inspector of Agricultural Banks as well, in subordination to the Revenue Commissioner.

x x x x

Signed. V.P. Madhava Rao.
Dewan of Mysore.

"Extract"

Secretary to Government.

Submitted to His Highness.

C

With reference to para 2 of my note dated the 25th July 1906, regarding the advisability of entrusting the supervision of Agricultural Banks to the Registrar of Co-operative Societies, I beg to state that the subject was placed before the Council, a copy of whose opinion is submitted. The proposal to make the Registrar, Inspector of Agricultural Banks as well, in subordination to the Revenue Commissioner, may be approved. So long as there is a separate Inspector for Coffee Banks, the Inspector of Agricultural Banks will not have anything to do with these institutions.

29/8/1906

2)

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Proposal to entrust the supervision of Agricultural Banks to the Registrar of Co-operative Societies.

209.

Order.

Approved

~~K.R.W.~~

31/8/86

83
31.8.86

Dewan's order

Please issue

Issue accordingly (Standing Committee, Co-operative Banks)

Serial No.

Submitted with 3 drafts:—
1) Letter to the Res.t
2) do to the Revenue Board
3) Notification.

May the notes referred to by the 1st Councillor be elaborated & printed after the issue of these drafts?

K.S. 31/10.

Drafts Subd. to Secy

Secy 5/9/06

1) Issue the drafts
2) The H Branch should obtain the preparation of the consolidated report on Agl Banks for 1905-06. The delay in its issue, from whatever cause, is not satisfactory.

EGR 6

2. To the Rev Comr
" Dy Comrs of Districts
" Comptroller
" Registrar of Joint Stock companies.

Secy 10-9-06

No. R. 2022-32 & 10-9-06

Appoints the Registrar of Co-operative Societies to be Inspector of Agricultural Banks as well, doing duties in subordination to the Rev. Comr.: and directs that the consolidated report on the work of

Note—Contn. sheet

Serial No.

of the Banks for 1905 06 & Succeeding years shall be submitted yearly with the remarks of the Dep com^r on or before the 1st October of each year.

3. To the Compiler, Mysore Gazette

No. Fe 2033 dt. 10.9.06.

Mysore Gazette Part I Page 484 of 06. dt. 13.9.06

Notifies the appointment of Mr M Shama Rau, Registrar of Co-operative Societies, as Inspector of Agricultural Banks as well.

—

4. To the H. A. Resident.

No Pol. 2138 dt. 11.9.06.

Intimates, with reference to this office no. Pol 908 dt. 31.7.06, that the Registrar of Co-operative Societies is appointed Inspector of Agricultural Banks ~~ex officio~~, and that the Supervision of the estates mortgaged to the late Coffee Banks at Sakleshpur & Chickamagalur will, however, continue in the hand of Mr Pilkington, the Special Inspector appointed for the purpose

Dep Com^r to Govt.

NOTE—Contn. sheet

GPB—50,000—23-10-05

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.] (30)

submitted.

When I first wrote these notes on the History of the Agricultural Banks, I did so with great diffidence & did not know that it would be printed.

A great portion of these notes will have to be rewritten & made a little more elaborate to make it a permanent official record. I beg to be given 15 days' time to do so.

K.S. 27.10.06.

I think it must be elaborated

27/10.

Yes sure 27/10/06

Submitted with the slightly revised. ~~Shall~~ ~~it~~ ~~be~~ ~~printed~~ might be printed? Subject to orders.

K.S.

15/11/06

19

HK

N. B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—30,000—11-4-05.

G.R.S. 13]

(31)

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Submitted.

It is now nearly a year & a half since the first Committee ordered the printing of these notes on the History of Hall-Banks. When Mr. B. Srinivasa Iyengar was in charge of the Branch, he returned these papers to the Branch for being submitted to the permanent Asst. Secy, but Mr. R. Krishna Rao. B.A is not known when he would come back, & it is to be afraid that there has already been a very long delay. may this be placed before the present Asst Secy

(in December)

Mr. R. (the late Asst Secy) said he would take up this at his convenience at Ootacamund but was not able to do so owing to his return

1/5/14

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Resubmitted.
K.S.
17-7-09

Please submit this after the receipt of the Land Registry.
mk 17/7.
K.S.
15/4/08.

GPB—40,000—11-4-06

1906 D.4464

From

T. ANANDA ROW Esq., B. A.,
Revenue Commissioner
in Mysore.

To

The Secretary to the Government of
H. H. the Maharaja of Mysore,
General & Revenue Departments.

Dated 20th
Despatched 23 April 06
Received
No. 9604

Enclosure No. One

Forwarding letter from the Registrar, Cooperative Societies in Mysore suggesting the desirability of improving the Agricultural Banks.

-----&&&&&-----

G. B. Siddaiah & Sons, Printers, Bangalore.—2,000-27-6-05.

No. 9604

OFFICE OF THE REV. COMR. IN MYSORE,

Bangalore.....20th...April.....1906.

FROM

T. ANANDA ROW, ESQ., B. A.,
Revenue Commissioner in Mysore.

To

The Secretary to the Government of His Highness
the Maharaja of Mysore,
General & Revenue Departments.

SIR,

I have the honor to forward herewith, in original, for the orders of Government, letter No.192 dated 17th April 1906, from the Registrar of Co-operative Societies in Mysore, suggesting the desirability of improving the Agricultural Banks on the basis of Co-operative Regulation, III of 1905.

I have the honor to be,

Sir,

Your most obedient servant,

Ananda Row

For Revenue Commissioner.

K.A.R.

Compd

OF THE REVENUE COMMISSIONER
No 1066
APR 18 1906
BANGALORE.

From The Registrar,
Co-operative Societies in
Mysore.

To

The Revenue Commssioner
in Mysore.

Dated 17th April, 1906.

Despatched

Received

General No. 192.
No.

Enclosure No.

Suggesting the desirability of improving the Agricultural Banks on the basis of Co-operative ~~principles~~. Regulation III 1905.

Read
Re.
18.4.06

Forward & Report

18/4

Read
Re
19.4.06

BVK
19/4/06
19

Office of the Registrar of Co-operative Societies in Mysore.

No. 192. Dated Bangalore, 17th April 1906.

From

M. Shama Rao Esq., M.A.

Registrar of Co-operative Societies in Mysore.

To

T. Ananda Rao Esq., B.A.

Revenue Commissioner in Mysore.

Sir,

I have the honor to inform you that in every place I have visited in connection with popularizing the provisions of the Co-operative Societies' Regulation I have been confronted with the question of the failure of the Agricultural Banks. I have however generally allayed the suspicions of the people by explaining that the new movement was on different lines and that the Regulation contained sufficient safeguards against the new societies falling into the hands of a few interested persons. Any mention of unlimited liability is regarded with distrust and I have been obliged therefore to organise Co-operative Societies only on a limited-liability basis till some of them work properly and remove the present fear of incurring unknown risks by accepting unlimited liability. At the same time, I deem it necessary that if the co-operative cause is to succeed, the present agricultural banks should be re-modelled under the new Regulation, where possible or wound up otherwise. They have in the majority of cases only a nominal existence at present, and the coercive steps which the Government is often obliged to take to recover the instalments of money lent serve as constant reminders, even to people unconnected with these banks, of what they regard as the dangers of joining

such institutions. As far as I have been able to ascertain, I think the bad reputation of the agricultural banks is due to circumstances other than any unsoundness in the principle on which they are based. I beg to be pardoned for also saying that the condemnation of them contained in the several addresses of the Dewan to the Representative Assembly is popularly regarded more as testifying to the rottenness of the root-principle itself than as an exposure of the extraneous circumstances that have retarded the growth of these institutions. In these circumstances, I beg to represent that if the Government are pleased to place the existing agricultural banks under me, I shall in consultation with the Deputy Commissioners institute suitable enquiries regarding each of them to see how far they can be brought under the new scheme, and report my views for the orders of Government. In any case, I beg to strongly urge that their existence in their present condition is a great impediment to the development of Co-operative Societies and some remedy is needed to stop the mischief that would accrue if left as they are at present.

I have the honor to be

Sir,

Your most obedient servant,

Registrar.

Draft I.

G.R.S. 28]

File No. 55-05

Serial No. 2.

Diary No. of letter replied to 4464

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

(Banking)

, *the* 10th Sept 1906

Date of issue — do —

Signed by W M M Krishna Rao

READ.—

Letter No. 9504 of the 20th April 1905 from the Revenue Commissioner in Mysore forwarding letter No. 192 of the 17th idem from the Registrar of Co-operative Societies in Mysore stating that he has found by experience that the failure of the Central of the Agricultural Banks is in the way of the success of the new scheme for the Establishment of Co-operative Societies, that institutions with unlimited

over

ORDER THEREON.—No.

SUBJECT

MGCPB—20,000—24-2-05

liability are distrusted by people and that as the result of this distrust he has been obliged to organise Co-operative Societies only on a limited liability basis and suggesting that if the Exist-ing Agricultural Banks are placed under him he would in consultation with the Dy. Commissioners institute Enquiries regarding each of them to see how far they can be remodelled under Regulation No. III of 1905 and report his views for the orders of Govt.

Order. No. $\frac{\text{R 2022-32}}{\text{B 55-05-2}}$ d/ 10 Septr /06

The Govt. of H. H. the Maharaja consider that it is desirable to entrust the supervision over the Agricultural Banks in Mysore to the Registrar of Co-operative Societies as the ~~[illegible]~~ ~~[illegible]~~ inspecting ~~[illegible]~~ on the abolition of the separate appointment of Inspector of the Banks ~~last few years~~ has affected the efficient working of these institutions. ~~are pleased to approve of the proposal~~ ~~to appoint~~ ~~and~~ The Registrar of ~~the~~ Co-operative Societies is therefore appointed to be ~~[illegible]~~ ~~as the~~ Inspector of Agricultural Banks as well. ~~The Inspector will be subordinate to the Rev. Commr.~~ ~~and he will not~~ So long as there is a special Inspector ~~[illegible]~~ ~~[illegible]~~ ~~Exercise any supervision over the~~ for the management of the Estates mortgaged to the late Coffee Banks at Sakleshpur and Chikmagalur

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

~~which will become to be in the Hands of the Special Inspector appointed for the purpose.~~

~~Co-ordification will accordingly~~

Secretary

6.9.6

The Rev. Commissioner
a Dy. Commr. of Districts
a Comptroller
a Registrar of Joint Stock Co.

the Imperial Agricultural Bank will have nothing to do with them -
J. Marsden Secretary will be responsible for the Land Revenue Cash - Print -

The Consolidated report on the work of the Bank for 1905-06 & preceding years should be submitted to Govt with the Revenue Cash on or before the 30th October of each year -

6.9.6

Print

Proceedings of the Government of His Highness the Maharaja of Mysore, Financial (Banking), dated 10th September 1906.

READ—

Letter No. 9604, dated the 20th April 1906, from the Revenue Commissioner in Mysore, forwarding letter No. 192, dated the 17th idem, from the Registrar of Co-operative Societies in Mysore, stating that he has found by experience that the failure of several of the Agricultural Banks is in the way of the success of the new scheme for the establishment of Co-operative Societies, that institutions with unlimited liability are distrusted by people and that as a result of this distrust he has been obliged to organize Co-operative Societies only on a limited liability basis and suggesting that if the existing Agricultural Banks are placed under him he would, in consultation with the Deputy Commissioner, institute enquiries regarding each of them to see how far they can be remodelled under Regulation No. III of 1905 and report his views for the orders of Government.

No. Fl. 2022-32—B. 55-05-2, DATED BANGALORE, 10TH SEPTEMBER 1906.

ORDER THEREON.—The Government of His Highness the Maharaja consider that it is desirable to entrust the supervision over the Agricultural Banks in Mysore to the Registrar of Co-operative Societies, as the withdrawal of such supervision on the abolition of the separate appointment of Inspector of Agricultural Banks has affected the efficient working of those institutions. The Registrar of Co-operative Societies is therefore appointed to be Inspector of Agricultural Banks as well.

2. So long as there is a special Inspector for the management of the estates mortgaged to the late Coffee Banks at Siklespur and Chikmagalur, the Inspector of Agricultural Banks will have nothing to do with them.

3. The new Inspector will perform his duties in subordination to the Revenue Commissioner. The consolidated report on the work of the Banks for 1905-06 and succeeding years should be submitted to Government with the remarks of the Revenue Commissioner on or before the 1st October of each year.

K. S. CHANDRASEKHARA AIYAR,
Secy. to Govt., Gen. & Rev. Depts.

To—The Revenue Commissioner in Mysore.
The Deputy Commissioners of Districts.
The Comptroller to the Government of His Highness the Maharaja of Mysore.
The Registrar of Joint-Stock Companies in Mysore.

Exd.—c v.

1906-07

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

FINANCIAL (BANKING)

PROCEEDINGS

Dated 10th September 1906

No. Fl. 2022-32 / B. 55-05-2

Appointing the Registrar of Co-operative Societies as the Inspector of Agricultural Banks as well in subordination to the Revenue Commissioner.

GPB—16-9-06—200

190

From

The Registrar of Co-operative Societies in Mysore.

To

The Secretary to the Government of His Highness the Maharaja of Mysore, General & Revenue Depts., Bangalore.

Dated

Despatched 14th September 1913.

Received

General No. 392/C.S.486
No.

Enclosure No.

Submits his opinion and suggestions on the draft rules proposed for regulating the tours and Inspections of the Registrar of Co-operative Societies and his Assistant.

DIARY No. 1280

1913-1914
SECTION: Bangalore
FILE NO. - 42-12
S. FILE No. 4

GPB—7½ reams—2-5-10

READ—

Letter No. 5773, dated the 4th December 1906, from the Revenue Commissioner in Mysore, recommending for the sanction of Government the proposals of the Registrar of Co-operative Societies in Mysore to make certain additional rules to facilitate the settlement of disputes, under Section 27 of the Co-operative Societies Regulation, III of 1905.

No. J. 3508—LEGIS. 21-06-4, DATED BANGALORE, 18TH MAY 1907.

ORDER THEREON.—It is reported by the Registrar of Co-operative Societies that the time has come when, in addition to the rules published with Government Notification No. J. 982—Legis. 4-3, dated the 27th September 1905, a few simple rules to facilitate the settlement of disputes relating to the business of such societies should be made and issued under clauses *O* and *Q* of section 27 of the Co-operative Societies Regulation, III of 1905.

2. The rules proposed by the Registrar are chiefly based on those already in force in the United Provinces, which appear well calculated to secure the end in view. The Government are not satisfied that the departure proposed from the United Provinces Rules is, in all cases, necessary or desirable. In the first place, they think it inexpedient that the Registrar should appoint only one arbitrator, and that the Amildar of the taluk. This will have the effect of officialising the societies and taking away their co-operative and popular character. It would be much more satisfactory if, as in the United Provinces Rules, there are 3 arbitrators, each party to a dispute appointing one of the arbitrators and the Registrar appointing the third, who may be the Amildar, if unavoidable, or any other person. In regard to appeals also, the United Provinces rules appear to be more suitable. When the decisions of Registrar in the United Provinces and even those of the arbitrators in the Punjab, are final, it seems unnecessary to provide for a further appeal or application for revision to the Revenue Commissioner, who has, moreover, no *locus standi* under the Regulation and whose only connection with Co-operative Societies is on the administrative side, under executive orders of Government. Lastly it appears desirable to retain the salutary provision contained in United Provinces Rules excluding legal practitioners from representing the parties to a dispute, which has been omitted in the proposed rules.

3. On the whole, the Government consider that the United Provinces Rules may be adopted in their entirety with the addition in rule 5 thereof of the words "or such further time as may be allowed by the Registrar" as suggested by Mr. Shama Rao in his proposed Rule IV. The draft rules as approved by Government are as follows;—

"In continuation of the rules published with Notification No. J. 982—Legis. 4-3, dated the 27th September 1905, and in exercise of the powers conferred by the Mysore Co-operative Societies Regulation, III of 1905, the Government of His Highness the Maharaja of Mysore are pleased to make the following additional rules;—

1. Any dispute in respect of the business of a society between any person who—
   (*a*) is or has been a member of a society, or
   (*b*) claims through any one who is or has been a member and such society or its committee or any of its officers,
   shall be referred to the Registrar for decision.
2. The Registrar, on receiving notice of such a dispute as is referred to in Rule 1, shall either decide the dispute himself or shall refer it for arbitration to three arbitrators, of whom one shall be nominated by each of the parties to the dispute and the third by the Registrar.
3. Where any party to the dispute fails to nominate an arbitrator within fifteen days after receipt of notice from the Registrar, the Registrar shall himself make the nomination.

4. In proceedings under Rule (2) before the Registrar or arbitrators, the statements of the parties who attend and of such witnesses as they may produce shall be reduced to writing and upon the evidence so recorded, and after consideration of any documentary evidence produced by either side, a decision or award, as the case may be, shall be given in accordance with justice, equity and good conscience.

5. Where the decision or award involves the payment of money or delivery of grain and such payment or delivery is not made within one week or such further time as may be allowed by the Registrar, the Registrar shall send the record of the proceedings to the Deputy Commissioner for enforcement of the decision or award; and the Deputy Commissioner shall thereupon enforce the decision as if it were a decree for arrears of Land Revenue.

6. (1) Any party aggrieved by an award of arbitrators may appeal to the Registrar, within one month of the date of the award.

(2) Every order made by the Registrar under these rules shall be final and conclusive.

7. In proceedings under these rules, neither party shall be represented by any legal practitioner."

4. As required by section 27 (3) of the Co-operative Societies Regulation, these rules were published in the issue of the *Mysore Gazette* dated the 14th March 1907. No criticisms and suggestions having been received, a notification will be issued promulgating the rules as above.

K. S. CHANDRASEKHARA AIYAR,
Secy. to Govt., Gen. & Rev. Depts.

To—The Revenue Commissioner in Mysore, returning the original enclosures.

Exd.— c. v.

NOTIFICATION

No. Fl. 6644—B. 48-06, dated 20th June 1908.

In continuation of the rules published with Notification No. J. 3507—Legis. 21-06-3 of the 18th May 1907 and in exercise of the powers conferred by the Mysore Co-operative Societies Regulation, III of 1905, the Government of His Highness the Maharaja of Mysore are pleased to make the following additional rules.

Amount of advance.

1. (1) Loans from State Funds not exceeding Rs. 2,000 in any case may be made to any Co-operative Society at least one-half of the members whereof are agriculturists, or any other Co-operative Society with the special sanction of Government.

(2) The amount advanced to any society shall not exceed the paid-up share capital of the society.

Interest on advances.

2. All advances to a society shall be free of interest for the first two years and will afterwards, subject to Rule 8 (1), bear interest at 5 per cent per annum.

Instalments for repayment.

The advances shall be repayable in not more than three annual instalments commencing after the lapse of two years after the grant of the advance.

Application for an advance.

3. A society requiring an advance shall submit to the Registrar an application in Form A annexed to these rules.

Power to sanction advances and prescribe instalments for repayment.

4. The Registrar after satisfying himself as to the correctness of the statements made in the application, may sanction the payment of advances from any treasury or sub-treasury, and may prescribe the number of instalments of repayment and the dates on which each instalment is to be repaid.

Provided that, without the special sanction of the Revenue Commissioner, no advance sanctioned by the Registrar shall exceed Rs. 250.

Order sanctioning advance.

5. (1) If the Registrar sanctions an advance, his sanction shall be conveyed in an order in Form B annexed to these rules.

(2) The Registrar shall send the original order to the society; a duplicate copy to the Comptroller for issue of order of payment to the treasury concerned.

Payment of advance.

6. (1) Payment of any advance so sanctioned shall be made to the persons authorised to receive the advance on behalf of the Society, on their producing the Registrar's order at the treasury named therein, and executing an agreement in duplicate in Form C annexed to these rules.

(2) When payment of an advance has been made, the original agreement shall be sent to the District Treasury for safe custody and the copy forwarded to the Registrar.

Power to suspend repayment of instalment.

7. (1) The Registrar may, if sufficient cause is shown, and if all interest due has been paid, suspend the repayment of any instalment.

(2) Whenever the Registrar makes an order of suspension, he shall forthwith send a copy thereof to the Deputy Commissioner of the District and to the Comptroller.

(3) When an order of suspension is made in respect of any instalment, the repayment of that instalment and of all subsequent instalments shall be postponed for one instalment period.

Procedure where instalment not repaid on due date

8. (1) If any instalment due from any society is not fully repaid on the due date, interest at 6 per cent per annum to the date of repayment shall be recoverable on the amount overdue, unless the Registrar by special order exempts the society from this liability. Such orders are to be formally reported for the approval of the Revenue Commissioner.

(2) The Deputy Commissioner to whom any instalments are repayable shall give prompt notice to the Registrar of any default in repayment of any instalment.

FORM A.

Application for an advance from the Government.

1. We, the undersigned, being duly empowered in this behalf by *the Committee of* *.....Co-operative Society, Limited, apply for an advance of Rs.....(in words) .....from the Government, to be paid at the.....Treasury.

* the by-laws of the society do not empower the Committee to borrow money on behalf of the society, these words should be deleted.

2. The amount of capital raised as shares, or as deposits received from members, is Rs.....(in words).....;

3. We request that the advance may be made repayable at the.....Treasury in.....annual instalments, the date of payment in each year being

4. Particulars of the indebtedness of the society are as follows:—

(*a*) Due to members on account of deposits,.....rupees.

(*b*) The amount borrowed from other sources, and the interest payable on each amount borrowed are as under—

Amount borrowed	From whom	Rate of interest	Condition as to repayment

5. We attach hereto a copy of the resolution of the $\frac{\text{Committee}}{\text{Society}}$ authorizing the taking of an advance from the Government and specifying the members of the Committee who may, in conjunction with the Secretary, receive the amount and enter into an agreement with the Government for its repayment.

Dated.....

Signature of Secretary.....

Signature of three members.....

To

The Registrar, Co-operative Societies.

FORM B.

Order sanctioning an advance by the Government.

Registrar's No.....

1. Sanction is accorded to the payment of an advance of Rs..... (in words) from the..... .....Treasury to the undermentioned society subject to the following conditions as to repayment :—

Name of society.....

Registered address.....

Number of annual instalments of repayment.....

Date on which each instalment is to be recovered.....

2. The date on which the society was registered is the..... .... and the advance is free of interest for two years from that date.

3. The budget allotment for such advances in the year 190 is Rs..... The aggregate amount of advances hitherto sanctioned during the year is Rs.....

4. The persons recognized as authorized by the society to enter into an agreement for repayment of the advance are the Secretary and any three of the members of Committee named below—

Name of Secretary.....

Names of members (1) ..... (2) ..... (3) ..... (4) .....

Registrar, Co-operative Societies.

FORM C.?

Agreement to be executed on behalf of a Co-operative Society obtaining an advance from the Government.

We, the undersigned, being duly empowered in this behalf by the *Committee of** the.....Co-operative Society..... .....under the by-laws of the society, acknowledge to have received from the Government the sum of Rs.....as an advance to that society; and we undertake on behalf of the society to repay the said advance, with interest, in the following.....instalments, each instalment being payable on the date shown opposite thereto:—

* If the by-laws of the society do not empower the Committee to borrow money on behalf of the society, these words should be deleted.

Principal	Interest	Total	Date
1			
2			
3			
4			
5			

2. We further agree to pay interest at 6 per cent per annum on any instalment or portion of an instalment which is not paid on due date, such interest to run from due date to date of payment.

3. We declare that, since the application in form A was submitted to the Registrar, the society's indebtedness either to members or to non-members, has not increased otherwise than by the accrual of interest on debts specified in the application.

Date..... .....

Signatures (1) ..... (2) ..... (3) ..... (4) .....

Witnesses' signatures (1)..... (2).....

By Order,

K. S. CHANDRASEKHARA AIYAR,
Secy. to Govt., Gen. & Rev. Depts.

3721-2-22

dated 22-11-16
(Sd) by Mr. G. Narasinga Rao.

Proceedings of the Government of H.H. the Maharaja of Mysore.

Read :-

Petition dated 20th February 1913 from the Udewar Brothers, Messrs. B. Puttanniah, D. Hirigowda, A.Hirigowda and Patel Annegowda indebted members of the late Agricultural Bank at Saklespur praying that the same concessions that were shown to Messrs T. Cosman Sahib, Malali Kalappa and Karagod Appaji Gowda, members of the same Bank, may be extended to them - viz., they may be permitted to pay their respective balances, on account of the loan taken by them in ten instead of twenty annual instalments be granted remission of interest with retrospective effect and also exempted from joint liability concerning the loan.

2. Correspondence ending with letter No.10 dated 6/15th January 1915 from the Deputy Commissioner, Hassan District reporting on the above.

3. Further correspondence on the subject ending with letter No.106/S.dated 8th August 1916 from the same officer.

Order thereon No. 3721-2/B.10-12-22

Dated, Bangalore 23rd November 1916.

While he is not in favour

of releasing the petitioners from their joint liability, the Deputy Commissioner considers that they may be given an opportunity for the discharge of the loan, by being allowed to pay the balance in ten annual instalments (as requested by the petitioners) subject to the following conditions and concessions :-

(1) Government to forego the accumulated arrears of interest as well as the current interest on the portion of the principal remaining unpaid.

(2) the amounts paid since the restoration of the estates to the brothers and those that will be paid hereafter to be credited entirely towards the principal amt.

(3) default made in the payment of any one instalment to make the parties liable to the payment of the whole amount of current and accumulated interest.

2. Government agree with the Deputy Commissioner and accord sanction to his recommendation.

for

Secretary to Government,
Departments of
Education & Agriculture.

To

The Deputy Commissioner, Hassan Dt. for information and communication to the parties.

The Comptroller, Mysore Govt.

R.N.

Government's Powers under the Regulation. Powers and Rules.	Powers under Government of India Act.
10 (2) Prohibiting or restricting the lending of money on the security of moveable or immoveable property or any kind thereof by any society or class of societies.	29 (3).....
12. Sanctioning a member to hold shares exceeding Rs.1000/-.	
23 (2) Appeals for Registrar's orders cancelling or refusing to cancel the ~~Regulation~~ Registration of a Society.	39 (5)..... Proviso. Appointing a Revenue Authority as Appellate authority.
25. Remission of tax, stamp duties, and Registration fee.	Incometax also (Government of India)
26. Recovery of its dues as arrears of land revenue.	44.....
27. Framing rules to carry out the purposes of the Registration, after previous publication.	43 (1).....
	43 (3) Delegating power to make rules to other authority.
	4. Directing that societies with other societies as members may be unlimited.
	31. Prescribing rules for restricting transaction with non members.
	33. Permitting distribution of profits in unlimited societies
	48. Exempting a society from the provision of the Act or modifying the provision.

Registrar's ~~Government's~~ Powers under the Regulation. Powers ~~and~~ under Rules.	Powers under Government of India Act.
24 (1) Appointing a liquidator. Rules of 1914. Sanctioning loans up to Rs.1000/-.	42 (1)
	6. (1) (b). Permitting credit societies with members residing in more than one village and not belonging to the same tribe, caste or occupation.
	7. Final decision about locality or caste etc of member.
	15. Receiving notice of change of address of society.
	34. Sanctioning contributions by a society to charitable objects.
	36. Inspecting or directing ---- authorised person to inspect, on the application of a creditor.
Powers of Govt under the Regn. Under the Rules.	Powers under Es of I Act.
3. X. Approving objects, other than those enumerated in that section, as calculated to promote the economic benefit of the members.	
5. Appointing the Registrar. Rule 4 of 27-9-05. Appeal against Registrar's order referring Registration.	3. Appointing Registrar, persons to assist him, and conferring on them all or any other powers of a Registrar.
Rule 8.....refusing sanction to alter etc byelaws.	
8. Diredting by special order that ½ of the profits need not be credited to the Revenue Fund in any particular case.	

Registrar's Powers and Duties under the Regulation.	Registrar's Powers and Duties under Government of India Act.
(Powers under Rules)	
Sec.6 (2) Registering a Society.	
Rule 7 (c) of 27th September 1905 Sanctioning making, altering or abrogating byelaws.	11 (2) Sanctioning amendment of byelaws.
10 (1) Consouting to one Society lending to another.	29 (1)..... (2) Permitting unlimited society to lend money on the security of immovable property.
11. Approving deposit of societies funds with particular banker or -- bankers.	32 (d).....
21. (1) Auditing the accounts of each society once at least every year.	17. (1) Auditing or causing to be audited by some person authorised by general or supplemental order in writing in this behalf...
(4) Inspecting the books, accounts papers and securities of a society or authorising another to do so.	(3) .....
(5) Enquiring into the working and financial condition of a society.	35. Enquiring or directing some authorised person to enquire.
(6) Appprtioning costs of such enquiry.	37.....
Rules of 18-5-07. Decision of disputes between Society and a Member or his representative.	
23 (1) Cancelling the Registration of a society.	39 (1)..... 40. Cancelling Registration when number of members ought to, falls below 10.

1910-11

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

FINANCIAL (BANKING)

PROCEEDINGS

Dated 14th December 1910

No. Fl. 3226
B. 34-09-2

Sanctions the amendment of Rule 7, proviso (*b*) of the Co-operative Societies Rules.

GPB—10-1-11—200

Proceedings of the Government of His Highness the Maharaja of Mysore, Financial (Banking), dated 14th December 1910.

READ--

Government Order No. Fl. 6825—B. 45-08-2, dated the 20th April 1909, stating that it is inexpedient to sanction the alteration of Rule 7, proviso (*b*) of the Co-operative Societies Rules as proposed by the Registrar.

2. Letter No. 744—C. S. 152, dated the 10th January 1910, from the Registrar of Co-operative Societies in Mysore, urging the necessity of amending the rule referred to above.

Adverting to Government Order No. Fl. 6825—B. 45-08-2, dated 20th April 1909, declining to sanction the alteration of Rule 7, proviso (*b*) of the Co-operative Societies Rules, I have the honor to bring again to the notice of Government that the rule regarding the quorum therein prescribed for the making or altering or abrogating of the bye-laws of a Co-operative Society at a general meeting has practically hindered the development of societies in places like Bangalore and Mysore and even in smaller places. The latest instance is that of the Bangalore City Co-operative Bank which has twice failed to get together the required quorum for reducing the rate of interest which is fixed in the existing bye-laws and which is regarded as very high. In my opinion it would have been better to have followed the example of the Madras Government who did not issue any rules till sufficient experience was gained. As a matter of fact, the bye-laws of most of the societies in the State are more or less *verbatim* reproductions of the model bye-laws published by the Registrar some years ago for the information of the general public and the subsequent experience gained by me from the working of the societies both in Mysore as well as in British India has pointed to the need of making several alterations in the bye-laws of the existing societies. It is not lack of interest on the part of the general body of members of a society that is in the way of the required quorum being present, but it is on account of the novel features of the movement, which are not as yet readily comprehended by them that makes the average member disposed to leave matters in the hands of those whom he regards as experts. Further the close supervision through the Registrar, that Government have provided, has created an assurance in his mind of the stability of these institutions, but in the face of a rigid quorum even the Registrar is powerless to change any of the bye-laws although they are practically of his own creation in the first instance, and the unsuitability of some of which he may himself feel convinced from subsequent experience. As the Co-operative institutions develop and as their transactions enter into the concerns of every day life, they become better understood, as they are practically becoming at present, and it will then be time, I think, to prescribe rigid rules. At present, the rule as it stands ties the hands of the Registrar too much and has proved a hindrance to the growth of these societies and I once more strongly urge that the Government may be pleased to reconsider their order of 20th April 1909, and to abrogate the rule *entirely* for the present. The Co-operative Regulation requires to be revised and the rules also should be re-issued, and I am waiting for the Government of India Act being revised before submitting my proposals. I shall then take the opportunity of submitting a revised set of rules also more suited to the needs of the societies than those now in force. In the meanwhile I beg that the rule about the quorum referred to above may be abrogated entirely as suggested by me.

As at present existing.—
Rule 7—"Bye-laws may be made, altered or abrogated thereafter in accordance with a resolution at a general meeting of the Society; provided that—
(*b*) the resolution is passed by not less than two-thirds of the members present at the general meeting and by not less than one-third of the total number of the members.

As proposed in my letter No. 554 - C. S. 64, dated 11th March 1909.
The words "and by not less than one-third of the total number of members" be omitted in Rule 7, proviso (*b*).

No. Fl. 3226—B. 34-09-2, DATED BANGALORE, 14TH DECEMBER 1910.

ORDER THEREON.—In view of the further representations made by the Registrar, Government sanction the amendment of Rule 7, proviso (*b*) of the Co-operative Societies Rules by omitting the words "and by not less than one-third of the total number of the members" occurring at the end of the proviso.

2. With the amendment now sanctioned, Rule 7 of the Co-operative Societies Rules stands as follows:—

"7. Bye-laws may be made, altered or abrogated thereafter in accordance with a resolution passed at a general meeting of the society.

Provided that—

(*a*) due notice of any proposal to make, alter, or abrogate is given in accordance with the bye-laws;

(*b*) the resolution is passed by not less than two-thirds of the members present at the general meeting; and

(*c*) the making, alteration or abrogation is approved by the Registrar."

A notification to this effect will also be published in the Gazette.

C. S. BALASUNDARAM IYER,
Offg. Secy. to Govt., Gen. & Rev. Depts.

To—The Registrar of Co-Operative Societies.

Exd.—C. R.

Statement showing the amount outstanding at
1914-15 and 1915-16 and the balance due at the
Udewa

(2):	Name	Amount outstanding at the end of the year 1913-14.						Interest for the year 1914-15 and 1915-16			Tot amo out - in
1	Puttamaiya Son of the late Mr. Baswegowda	144	25	10	39	64	8 2	11	54	. .	195
2	Hiregowda Son of the late Mr. Dyavegowda	20	28	5	74	43	9 3	16	22	12 10	29
3	Amiegowda	14	16	3	37	63	4 5	11	33	. 10	190
4	Hiregowda	16	28	5	64	30	3 10	13	02	12 8	240
	Total	65	16	0 8 1	216	01	9 8	52	12	10 4	919

the end of the year 1913-14, recoveries due
end of the year 1915-16 by the members of the
-family.

t-mt- ~~Paid~~ 9	Amount recovered during 1914-15 and 1915-16			Balance outstanding at the end of the year 1915-16			Remarks.
	Towards Loan	Towards Interest	Total	Loan	Interest	Total	
3 14	- - -	(1914-15) 61 11 3	61 11 3	144 25 5 10	50 5 6 12 11	194 8 2 9	
2 5 3	- - -	- - -	- - -	202 8 5 15 2	90 6 6 1	293 5/2 5 3	
9 9 2	- - -	(1914-15) 220 14 6	220 14 6	141 6 3 3 11	46 7 8 6 9	188 3 8 10 8	
18 15 8	- - -	(1914-15) 70 10 9	70 10 9	162 8 5 15 2	76 6 2 5 9	239 4 8 11	
14 12 1	- - -	353 4 6	353 4 6	65 16 0 8 1	26 4 6 0 15 6	91 6 2 1 7 7	

Deputy Commissioner
Hassan District.